



# South Carolina Department of Insurance

Capitol Center  
1201 Main Street, Suite 1000  
Columbia, South Carolina 29201

NIKKI R. HALEY  
Governor

RAYMOND G. FARMER  
Director

Mailing Address:  
P.O. Box 100105, Columbia, S.C. 29202-3105  
Telephone: (803) 737-6160

## Media Release

**For Immediate Release  
October 22, 2015**

**Contact: Ann Roberson  
Phone: 803-737-6207**

---

### **Consumers' Choice Health Insurance Company Agrees to Wind Down Its Operations**

COLUMBIA, SC - Consumers' Choice Health Insurance Company (Consumers' Choice) has agreed to a voluntary run-off and will not offer health insurance coverage in 2016.

"This was a difficult decision for the insurer and this agency, but this is what is in the best interests of South Carolina consumers and health care providers," said Ray Farmer, Director of the South Carolina Department of Insurance.

"The recent announcement of a risk corridor reimbursement of just 12.6% cast doubt on the collectability of tens of millions of dollars through the federal risk corridor program and led to an unavoidable outcome," said Jerry Burgess, President and CEO of Consumers' Choice.

The decision to run off its existing book of business means that Consumers' Choice will not offer plans for 2016 and any policies that became effective in 2015 will terminate at the end of this year. As a result, approximately 67,000 individuals and small businesses will have to shop for new coverage for 2016 as they will not be able to keep their current coverage.

Ultimately, the decision was made to wind down operations because the company's financial condition could worsen significantly. This decision comes now because it is much easier for consumers to transition to a new plan effective January 1, 2016 than it would be to move in the middle of a benefit year.

"The South Carolina Department of Insurance will do everything it can to assist South Carolinians through this process," Farmer said.

"In the coming days, weeks and months, Consumers' Choice will continue to focus all of its efforts on taking care of its members and also working with the South Carolina Department of Insurance as well as the Centers for Medicare & Medicaid Services to help ensure a smooth transition," added Tim Ervolina, Chairman of the Board of Directors for Consumers' Choice.

Consumers' Choice is required to submit a run-off plan to the Department "This should be an orderly run-off of the company's business. Our expectation is that the company will honor its existing commitments to policyholders and health care providers as a part of winding down its operations. The Department has monitored the financial condition of this insurer very closely since licensure and will continue to do so until this process is complete," Farmer said.

The Department has compiled an initial list of Frequently Asked Questions for impacted consumers and providers, which are attached to this release and available on the Department's [ACA page](#).

###

## **Consumers' Choice Health Insurance Company (CCHP) Not Offering Plans in 2016**

### ***FAQs & Important Information for Consumers and Providers***

**1. Why is CCHP closing?**

After coordinating with state and federal regulators regarding CCHP's operations and its long-term sustainability, the decision was made to discontinue offering plans after 2015.

**2. How will CCHP closing affect my current insurance coverage?**

Current plans will continue uninterrupted through December 31, 2015. Members can continue to use their insurance through that time period and continue to submit claims for all medical expenses that occur through December 31, 2015.

**3. Do I need to keep paying CCHP?**

Yes. You should continue to pay your insurance premiums through the end of December to have coverage.

**4. Can I get a replacement policy now?**

No, but members will be able to choose a new health insurer for 2016 during the next open enrollment period, which begins on November 1, 2015 and runs through January 31, 2016.

**Consumers should enroll in replacement coverage by December 15, 2015 to have insurance on January 1, 2016.**

**5. Where can I get help finding a new policy for 2016?**

If you are receiving federal subsidies, you must enroll in a Qualified Health Plan through the Federal Marketplace. You can shop for a new plan by working with an agent, broker, or navigator or by calling the Marketplace at 1-800-318-2596. Plans for 2016 can also be reviewed at [www.healthcare.gov](http://www.healthcare.gov). Additional helpful information is available at the South Carolina Department of Insurance ACA page by clicking [here](#).

**6. Will my current plan change today?**

No, there will be no change in your current plan and CCHP will continue to process claims incurred through December 31, 2015.

**7. Can I continue to see my doctors and have my prescriptions filled?**

Yes, members can continue to use their insurance as they have all year. The provider network should remain in place through 2015. When you shop for new coverage for 2016, be sure to check the network directories for other companies to ensure your doctors and preferred facilities are members of those networks.

**8. What can providers expect?**

The provider network should remain in place through 2015 and the company will continue to process claims.

**9. Who should I call if I have questions?**

If you have coverage questions, you may contact CCHP at **1-800-580-8736**.

The South Carolina Department of Insurance can also assist you. The Department can help consumers understand their rights and responsibilities during this process. Please call our Office of Consumer Services at 1-800-768-3467 if we may be of assistance to you.